Also Urges Faster Movement on Shallow Water Permitting September 13, 2010

WASHINGTON, D.C. – Today, Congressman Charlie Melancon (LA-03) lobbied Administration officials to end the deepwater drilling moratorium in the Gulf of Mexico immediately, and speed up the shallow water permitting process. In a public forum held by Director Michael Bromwich of the federal Bureau of Ocean Energy Management, Regulation and Enforcement (BOEM), Congressman Melancon emphasized the economic impact the moratorium was having on Louisiana's workers and small businesses.

Congressman Melancon told Director Bromwich, "I know you have heard just about every perspective imaginable when it comes to offshore energy development. But today, here in Cajun country, you are surrounded by the men and women that do the hard work on those rigs. They want two things: they want to get back to work and they want to go back to a safe jobsite. They wanted both of those things months ago. We can deliver on both today."

Congressman Melancon continued, "The people that I grew up with right here in South Louisiana understand that this heavy-handed moratorium doesn't make sense. They look at the coal mining disasters and note that there was no six month moratorium on mining activities. They wonder why their state's economy is less important than other states'."

Congressman Melancon noted that in July, the House of Representatives passed his amendment to end the moratorium on deep-water drilling for companies that meet the new safety requirements protecting workers put forth by the Department of the Interior in the wake of the Deepwater explosion.

Congressman Melancon explained, "Some of those that voted with me would never approve of offshore energy development in their back yard, but they know our country needs oil and natural gas to survive. They know Louisiana has stepped up to deliver these resources for decades. They know we need to get back to work."

Congressman Melancon also urged Director Bromwich to speed up the process for approving shallow water drilling permits, noting that as of today, only four permits for new shallow water wells had been issued since late May.

Emphasizing the impact these delays were having on jobs in Louisiana, Congressman Melancon said, "We must get shallow water drilling permits moving again for new wells in the Gulf. We can't slow walk these permits and expect that many of these smaller companies can keep their workers on staff. Many have held on to their crews, hoping to get work soon. If permits don't move now, we'll see even more men and women streaming to the unemployment office. Let them go back to work."

Congressman concluded by saying, "We cannot continue to devastate our oil and gas industry with indecision and inaction. We are a resilient people, but we simply can't weather another economic storm and pray for the best.

"We must lift the moratorium in a responsible way and allow our workers to continue producing the domestic energy that drives our nation. We should hold companies accountable for higher safety standards, so we never again experience a disaster like Deepwater. My state, my home for all my life, is clamoring to get back to work. Let us get back to work."

Today's forum in Lafayette was the last in a series of eight public forums Director Bromwich has held around the country to collect information and views about deepwater drilling safety reforms, well containment, and oil spill response. Director Bromwich has said he will consider these findings when evaluating whether to recommend any modifications to the scope or duration of the deepwater drilling suspensions announced by Interior Secretary Ken Salazar on July 12, 2010.

Congressman Melancon has been pressing the federal government for months to <u>end the</u> moratorium

on deep-water drilling and clarify new regulations for shallow-water drilling

that have created a "de facto" moratorium in the Gulf.

The offshore energy industry is a major economic engine for south Louisiana, providing thousands of jobs and supporting numerous locally-based service companies in Congressman Melancon's Congressional district.

Below is Congressman Melancon's full statement, as prepared for delivery.

Bureau of Ocean Energy Management Public Forum on Offshore Drilling Comments by Rep. Charlie Melancon (LA-3) September 13th, 2010

Director Bromwich, thank you for holding this forum. I know you have heard just about every perspective imaginable when it comes to offshore energy development. But today, here in Cajun country, you are surrounded by the men and women that do the hard work on those rigs. They want two things: they want to get back to work and they want to go back to a safe jobsite. They wanted both of those things months ago. We can deliver on both today.

BP was a bad player. As we have discovered in numerous Congressional hearings -- and in forums like this - they took dangerous shortcuts to save money. They ignored warning signs and the advice of their own workers who were concerned about the stability of the well. And they continued to drill, even when they KNEW that the safety mechanisms in place to prevent a blowout were not working properly. And 11 men died because of their greed.

The tragedy on Deepwater exposed the false sense of security brought on by lax oversight and cookie cutter response plans. It showed us the importance of strengthening the enforcement of both new and existing laws. And for the need to protect workers who report their companies' dangerous and even illegal practices to regulators, so that we can stop another accident before it happens.

But this indiscriminate, blanket moratorium in place today punishes the innocent along with the guilty for the actions and poor judgment of one reckless company. If a rig meets all of the tough new safety requirements issued by the Department of the Interior, if it has been fully inspected and deemed safe, it should not sit idle.

The people that I grew up with right here in South Louisiana understand that this heavy-handed moratorium doesn't make sense. They look at the coal mining disasters and note that there was no 6 month moratorium on mining activities. They wonder why their state's economy is less important than other states'.

We want more than anyone to prevent another disaster from happening in our waters. But the irresponsible decisions and dangerous actions of one company shouldn't shut down an entire sector of our economy, sending thousands of workers to the unemployment line. We need to fix the problems that led to this disaster in the Gulf. We need to get back to work.

Last July, the House of Representatives voted to pass a strong rebuke of the six-month moratorium. Democrats and Republicans approved my amendment to lift the moratorium. The legislation would direct BOEM to issue drilling permits for those rigs that meet the new safety requirements put forth by the Department of the Interior in the wake of the explosion.

Some of those that voted with me would never approve of offshore energy development in their back yard, but they know our country needs oil and natural gas to survive. They know Louisiana has stepped up to deliver these resources for decades. They know we need to get back to work.

Sometimes lost in the conversation about the deep water moratorium, is the health of our shallow water production industry. A formal moratorium doesn't need to exist for shallow water production to be shut down. In fact, just lack of guidance from field offices and slow permitting processes have led to countless rigs stacked up along the coast. Director Bromwich, as you are aware, the President lifted the shallow water moratorium more than three months ago. However there have been only four permits for new shallow water wells issued since late May. We are staring down an absolutely critical juncture this month – if new permits are not approved in September, we'll see our domestic fleet of 46 shallow water rigs stop working. All of them. That's completely unacceptable.

We must get shallow water drilling permits moving again for new wells in the Gulf. We can't slow walk these permits and expect that many of these smaller companies can keep their workers on staff. Many have held on to their crews, hoping to get work soon. If permits don't move now, we'll see even more men and women streaming to the unemployment office. Let them go back to work.

The BP spill has cost our state and our people billions of dollars. It crippled our seafood industry for the better part of three months. Our tourism industry is lagging in a year that promised to be our best since Katrina and Rita ravaged our state. We cannot continue to devastate our oil and gas industry with indecision and inaction. We are a resilient people, but we simply can't weather another economic storm and pray for the best.

We must lift the moratorium in a responsible way and allow our workers to continue producing the domestic energy that drives our nation. We should hold companies accountable for higher safety standards, so we never again experience a disaster like Deepwater. My state, my home for all my life, is clamoring to get back to work. Let us get back to work.

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